

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	
)	

ORDER

Adopted: September 28, 2011

Released: September 28, 2011

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this order, we release the eligible services list (ESL) for funding year 2012 for the schools and libraries universal service program (E-rate).¹ The ESL identifies the services and products that are eligible for E-rate funding. In the *ESL Public Notice*, we proposed minor changes and other edits to the ESL to provide clarifications or additional information only, and did not change the eligibility status of any services in the E-rate program.² By this order, we adopt most of the clarifications we proposed in the *ESL Public Notice*, with some minor modifications as described herein.

II. BACKGROUND

2. Through the E-rate program, eligible schools and libraries may receive discounts for eligible services, including telecommunications services, telecommunications, Internet access, internal connections, and basic maintenance of internal connections (BMIC).³ Section 254 gives the Commission authority to designate “telecommunications services” and additional services eligible for support through the E-rate program.⁴ The Commission also has authority to designate services eligible for E-rate support as part of its authority to enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and non-profit elementary and secondary school classrooms and libraries.⁵

3. The Commission releases the ESL each year so that applicants may have notice of the services and products eligible for E-rate funding prior to applying for E-rate discounts. Pursuant to section 54.502

¹ See *Eligible Services List For Funding Year 2012* (rel. Sept. 28, 2011) (*2012 ESL*).

² *Wireline Competition Bureau Seeks Comment on Draft Eligible Services List for Schools and Libraries Universal Service Program*, CC Docket No. 02-6, Public Notice, 26 FCC Rcd 8714, 8714-8718 (Wireline Comp. Bur. 2011) (*ESL Public Notice*).

³ 47 C.F.R. § 54.502(a).

⁴ 47 U.S.C. § 254(c)(1), (c)(3), (h)(2)(A). Congress charged the Commission with establishing competitively neutral rules to enhance access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms and libraries; and also provided the Commission with the authority to designate “special” or “additional” services eligible for universal service support for schools and libraries. 47 U.S.C. § 254 (c)(3), (h)(2).

⁵ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9008-9015, paras. 436-449 (1997).

of the Commission's rules, USAC must submit a proposed ESL for the upcoming funding year by March 30 of each year, and the Wireline Competition Bureau (WCB) is required to seek public comment on the proposed ESL.⁶ After the public has had an opportunity to comment, the final ESL for the upcoming funding year must be released at least 60 days prior to the opening of the E-rate application filing window.⁷ Last year, the Commission removed the requirement in the rules that the final ESL be released by public notice.⁸

4. In the *ESL Public Notice*, we proposed updates to the ESL in accordance with recent Commission and WCB orders, including the *2009 ESL Order*, the *Sixth Report and Order*, the *Sixth Report and Order Guidance Public Notice*, the *2010 Basic Maintenance Clarification Order*, and the *Chicago Public Schools Order*.⁹ We also proposed miscellaneous changes to streamline the ESL and provide additional guidance to applicants, including a clarification that mobile-hotspot service is a type of eligible Internet access service.¹⁰ WCB sought comment on the *ESL Public Notice* on June 24, 2011.¹¹ The comment cycle closed on July 25, 2011.¹²

III. DISCUSSION

5. In this order, we release the ESL for funding year 2012 and adopt most of the proposals made in the *2011 ESL Public Notice*. By this order, we also authorize USAC to open the annual application filing window no earlier than November 28, 2011.¹³ We address herein the changes we adopt today.

A. ESL Updates and Clarifications Based on Recent WCB and Commission Decisions

1. ESL Introduction

6. We first update the ESL introduction to clarify that the services funded under the "Learning-on-the-Go" wireless pilot program are services used for an "educational purpose."¹⁴ The Commission's current rules presume that services used on school or library premises are serving an educational purpose,

⁶ See 47 C.F.R. 54.502(b)(1).

⁷ *Id.*

⁸ See 47 C.F.R. § 54.502(b)(1); *Sixth Report and Order*, 25 FCC Rcd at 18811 and 18813, Appendix A, Final Rules.

⁹ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Report and Order and Further Notice of Proposed Rulemaking, 25 FCC Rcd 6562 (2009) (*2009 ESL Order*); *Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan for Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Sixth Report and Order, 25 FCC Rcd 18762 (2010) (*Sixth Report and Order*); *Wireline Competition Bureau Provides Guidance Following Schools and Libraries Universal Service Support Program Sixth Report and Order*, CC Docket No. 02-6, GN Docket No. 09-51, Public Notice, 25 FCC Rcd 17332 (Wireline Comp. Bur. 2010) (*Sixth Report and Order Guidance Public Notice*) (providing effective dates for adopted proposals and answers to a list of frequently asked questions (FAQs) regarding rules adopted in the *Sixth Report and Order*); *Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan for Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Order, 25 FCC Rcd 17324 (Wireline Comp. Bur. 2010) (clarifying the funding procedures for basic maintenance of internal connections (BMIC) contracts and gifts rules) (*2010 Basic Maintenance Clarification Order*); *Requests for Review of Decisions of the Universal Service Administrator by Chicago Public Schools, SLD-288954 et al*, Docket No. 02-6, Order, 26 FCC Rcd 4114 (2011) (*Chicago Public Schools Order*).

¹⁰ See *ESL Public Notice*.

¹¹ *Id.*

¹² *Id.*

¹³ 47 C.F.R. § 54.502(b).

¹⁴ *Sixth Report and Order*, 25 FCC Rcd at 18785-18787; *E-rate Deployed Ubiquitously 2011 Wireless Pilot Program*, WC Docket No. 10-222, Order, 26 FCC Rcd 9526 (Wireline Comp. Bur. 2011) (*Learning-on-the-Go Order*).

and therefore services used off school or library premises are generally presumed not to be serving an educational purpose.¹⁵ As such, funding for portions of those services that are utilized off-campus must generally be cost-allocated.¹⁶ The applicants participating in the Learning-on-the-Go wireless pilot program, however, were selected to receive E-rate funding for Internet access services for portable devices, even the portion of such services that will be delivered off-campus.¹⁷ Consistent with our conclusions in the Learning-on-the-Go order, we clarify in the ESL that the services funded under the Learning-on-the-Go wireless pilot program satisfy the educational purpose requirement despite the fact that they may be used off-campus.¹⁸ Accordingly, funding for such services utilized off-campus need not be cost-allocated.

2. Telecommunications Services

7. We remove from the ESL the explanation for including interconnected voice over Internet protocol (interconnected VoIP) in the Telecommunications Services category. We make this change because the Commission affirmatively added interconnected VoIP to the ESL in the *2009 ESL Order* and therefore the explanation is no longer necessary.¹⁹

8. We revise the entry in the ESL for “Other Miscellaneous Components that are Not Eligible” to clarify that services such as T-1 lines no longer need a technology plan.²⁰ In the *Sixth Report and Order*, the Commission removed the technology-plan requirement for all priority one services.²¹ The original sentence in the ESL, however, mistakenly implied that a technology plan was in fact required for recipients to obtain T-1 services.²² Contrary to our proposal in the *ESL Public Notice*, however, we decline to include dark fiber as an additional example of services that no longer require technology plans in the ESL; we find that the current language in the ESL is sufficiently clear on this point.

3. Telecommunications

9. We update the entry for dark and lit fiber service in the Telecommunications category. After the Commission released the *Sixth Report and Order* last year, the WCB released a public notice to address frequently asked questions (FAQ) to further clarify the Commission’s decisions regarding fiber and dark fiber, among other things.²³ Specifically, the FAQ explains the eligibility of dark fiber special construction charges and costs associated with modulating electronics.²⁴ We make minor updates in the

¹⁵ *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9208, para. 17-18 (2003).

¹⁶ *Id.*

¹⁷ *Learning-on-the-Go Order*, 26 FCC Rcd at 9528-9529.

¹⁸ *Id.*

¹⁹ See *2009 ESL Order*, 25 FCC Rcd at 6567-6570. For the same reason, we also removed this explanation from the Internet Access category of the ESL.

²⁰ This is in the Miscellaneous category of the ESL.

²¹ *Sixth Report and Order*, 25 FCC Rcd at 18789-18791.

²² It stated that “[s]ervices that provide necessary bandwidth requirements consistent with an applicant’s Technology Plan, such as multiple T-1 lines when appropriate for the population served and the services to be received, are not duplicative.” See *Eligible Services List, Schools and Libraries Support Mechanism for Funding Year 2011*, dated Sept. 23, 2010 at 23 (see USAC webpage http://www.usac.org/res/documents/sl/pdf/ESL_archive/EligibleServicesList_110910.pdf, last visited Sept. 21, 2011) (*2011 ESL*).

²³ *Sixth Report and Order Guidance Public Notice*, 25 FCC Rcd at 17334-17337.

²⁴ *Id.*

ESL to the entry for fiber and dark fiber in the Telecommunications category to be consistent with the information provided in the *Sixth Report and Order* and the subsequent FAQ.²⁵

4. Internet Access

10. We clarify the introduction to the Internet Access category to include the Commission's definition of "Internet access" from section 54.5 of the Commission's rules.²⁶ This is consistent with the *Sixth Report and Order*, in which the Commission included in section 54.502(a)(3) the definition for "Internet access" contained in section 54.5.²⁷ We also delete the words "Internet-based" before the word "e-mail" in the ESL entry for e-mail because section 54.5 states that e-mail is an element of Internet access, and does not use the term "Internet-based e-mail."²⁸

11. We next adopt some of the changes proposed in the *ESL Public Notice* to clarify the eligibility of web hosting. These proposed changes to the ESL were intended to provide additional consistency with the *Sixth Report and Order* but, based on our review of the record, we do not make all of the clarifications initially proposed.²⁹ The revisions we adopt eliminate outdated terminology while maintaining the provisions that allow applicants to seek funding for the ability to post their website to the Internet.

12. We provide further clarifications from the *Sixth Report and Order* regarding features that facilitate the ability to communicate, (such as blogging, e-mailing over a school or library's hosted website, discussion boards), and services that may facilitate real-time interactive communication (such as instant messaging or chat).³⁰ Among other revisions, we remove the phrase "content editing" from the ESL section explaining the ineligible features of a web hosting service. This clarification addresses questions in the record on whether the term "content editing" applied to teachers or students using the interactive features of a school's web page such as blog or discussion board.³¹ Collectively, the

²⁵ *But see* CenturyLink Comments at 2-3. The *Sixth Report and Order* has also directed applicants to select either the telecommunications service or Internet access box on the FCC Form 471 for type of service requested when applying for funding for leased dark or lit fiber, based on the type of provider they select to provide the leased dark fiber service. *Sixth Report and Order*, 25 FCC Rcd at 18767. Therefore, in the introduction to the Miscellaneous category of the ESL, we clarified that "Miscellaneous" services and products related to services requested in the Telecommunications category should be requested (via FCC Form 471) in the Telecommunications Services or Internet Access category, depending upon the nature of the service provider.

²⁶ 47 C.F.R. § 54.5 (stating that "Internet access" includes the following elements: (1) The transmission of information as common carriage; (2) The transmission of information as part of a gateway to an information service, when that transmission does not involve the generation or alteration of the content of information, but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services, and that do not affect the presentation of such information to users; and (3) Electronic mail services (e-mail).); 47 C.F.R. § 54.502(a)(3). In the *Sixth Report and Order*, the Commission consolidated all of the rules pertaining to eligible services into section 54.502. *Sixth Report and Order*, 25 FCC Rcd at 18810, n. 325 and 18814.

²⁷ 47 C.F.R. §§ 54.502(a)(3) and 54.5; *see also* *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9013, para. 444 (1997), *aff'd in part*, *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999) (subsequent history omitted).

²⁸ "Internet-based e-mail" is not defined elsewhere in the ESL. Because e-mail is listed as a component of "Internet access" in the Commission's rules, we decline to include it in the "Internet-Related Services" section. *See* Edline Comments at 3-5 and Attachment 1.

²⁹ *See, e.g.*, Letter from Jennifer L. Richter, Counsel to Edline, to Marlene Dortch, Federal Communications Commission, dated Sept. 19, 2011.

³⁰ *Sixth Report and Order*, 25 FCC Rcd at 18806-18807.

³¹ *See* Edline Comments at 4-7 (questioning whether the fact that content editing features are ineligible meant that blogging and some of the other real-time interactive communication aspects of web hosting would be ineligible).

clarifications to this section provide that a web hosting service that provides for the display of a school's or library's website on the Internet and the portions of a web hosting package that provide for interactive communication, such as blogging, web-based email, and discussion boards, as explained in the *Sixth Report and Order*, remain eligible.

13. We reiterate that, consistent with the Commission's decision in the *Sixth Report and Order* to continue to fund web hosting services under E-rate, any clarifications to the ESL do not change the eligibility of particular services or features.³² Ineligible services continue to include any content-based services from any provider, web-site design or web-creation services, end user file storage, databases for grades, student attendance files, or other reports, and the applications necessary to run online classes or collaborative meetings.

14. Finally, we clarify that firewall services may not be provided by a vendor other than the Internet access provider and may not be priced separately.³³ The *Sixth Report and Order* stated that E-rate discounts are available for basic firewall protection, but such discounts would not be extended to support firewall protection beyond that which is included as part of an Internet access service.³⁴ We also clarify that firewall components remain eligible in the Internal Connections category in the "Data Protection" and "Servers" entries. Changes made to the ESL last year inadvertently suggested that these components were no longer eligible.³⁵ The *Sixth Report and Order* did not change the eligibility for firewall components that had been funded as part of Internal Connections.³⁶

5. Internal Connections

15. We clarify that the restrictions on remote access to homes or other non-school or non-library sites do not apply to residential schools that serve unique populations.³⁷ Under the entry for "Servers," previous versions of the ESL stated that remote access cannot be provided to homes or other non-school or non-library sites.³⁸ In the *Sixth Report and Order*, however, the Commission decided to support eligible services to the residential portion of schools that serve students with special circumstances.³⁹ Thus, we clarify in the ESL that remote access components for eligible school-based dorms and residences would be eligible for E-rate funding.

6. Basic Maintenance of Internal Connections

16. We revise the introduction to the BMIC category to allow cost-allocation for the ineligible portion of a BMIC contract.⁴⁰ In the past, if applicants sought support for a technical service contract that

³² *Sixth Report and Order*, 25 FCC Rcd at 18806. Our intention was to provide more specific language to clarify what will continue to be eligible or ineligible.

³³ *Sixth Report and Order*, 25 FCC Rcd at 18808-18809. The mention of firewall service not being priced out separately had been listed in the entry for ineligible Internet Access services but we find that it is more appropriate to mention this as part the explanation of eligible firewall services.

³⁴ *Id.*

³⁵ See 2011 ESL at 12 and 14.

³⁶ *Sixth Report and Order*, 25 FCC Rcd at 18808-18809.

³⁷ *ESL Public Notice*, 26 FCC Rcd at 8717.

³⁸ See, e.g., 2011 ESL at 14. The 2011 ESL defined remote access components (such as a remote access router or communications server) as a component that allows users to access network resources by dialing in from an off-site location in order to connect their local computer with network devices. It stated that dialing in most cases typically utilizes standard telephone lines but, in some cases, may be based on other technologies.

³⁹ *Sixth Report and Order*, 25 FCC Rcd at 18778-18779.

⁴⁰ See *ESL Public Notice*, 26 FCC Rcd at 8717. Funds for Learning, LLC supports these changes. Funds for Learning, LLC Comments at 2.

included services that went beyond BMIC, the entire contract was ineligible.⁴¹ The Commission, however, determined in the *Chicago Public Schools Order* released March 2011, that technical support contracts may be cost-allocated.⁴² We therefore clarify the introduction to the BMIC section in the ESL by stating that “[f]unding will be provided for the eligible portion of a technical support contract that includes services that exceed BMIC, if the ineligible portion of the contract can be cost-allocated.” Consistent with the *Chicago Public Schools Order*, however, technical support contracts that cannot be cost-allocated to remove costs that are beyond BMIC are ineligible in their entirety.⁴³

17. We also clarify that on-site BMIC requests may be eligible for E-rate support if applicants can present sufficient evidence demonstrating that on-site technical service is more cost-effective than off-site technical support for that specific situation.⁴⁴ This change is also prompted by the *Chicago Public Schools Order* and clarifies the previous presumption that on-site BMIC is not necessary to the operation of the internal network when off-site technical support can provide technical support on an as-needed basis.⁴⁵

18. Finally, we revise the “Maintenance and Technical Support of Internal Connections” entry for the BMIC category to conform to the requirement that BMIC reimbursements be paid only for work that is actually performed under the contract.⁴⁶ Specifically, to conform to the WCB’s *2010 Basic Maintenance Clarification Order*, the ESL states that “[r]eimbursements for BMIC will be paid for the actual work performed as verified by invoice.”⁴⁷ In addition, although not proposed in the *ESL Public Notice*, we add to the ESL examples of specific types of BMIC for which applicants may be reimbursed but for which applicants will not be required to demonstrate that work was actually performed. These include: (1) software upgrades and patches, including bug fixes and security patches; (2) online and telephone-based technical assistance and tools that are typically standard fixed priced offerings (not including ineligible help-desks).⁴⁸

⁴¹ See, e.g., *2011 ESL* at 20.

⁴² *Requests for Review of Decisions of the Universal Service Administrator by Chicago Public Schools, SLD-288954 et al*, Docket No. 02-6, Order, 26 FCC Rcd 4114, 4118-4119 (2011) (*Chicago Public Schools Order*).

⁴³ This is required by the *Chicago Public Schools Order* because the Commission stated that USAC should deny funding for an entire BMIC contract if applicants are unable to separate the eligible and ineligible services in a BMIC contract. *Chicago Public Schools Order*, 26 FCC Rcd at 4118-4119. *But see* Cisco Systems, Inc. Comments at 4-7.

⁴⁴ *ESL Public Notice*, 26 FCC Rcd at 8717.

⁴⁵ *Chicago Public Schools Order*, 26 FCC Rcd at 4121.

⁴⁶ See *Sixth Report and Order*, 25 FCC Rcd at 18809; *2010 Basic Maintenance Clarification Order*, 25 FCC Rcd 17325. See Cisco Systems, Inc. Comments at 2-3 (highlighting that the proposed ESL did not include the language “or hours of labor actually used”).

⁴⁷ *2010 Basic Maintenance Clarification Order*, 25 FCC Rcd 17325-17326. Consistent this change, we also clarified the entry for “Miscellaneous Fees and Charges” in the Miscellaneous category that contingency fees will be reimbursed based on actual work performed. We made this change so that the policy regarding reimbursements for upfront charges for contingency fees would be consistent with the Commission’s recent decisions regarding upfront charges for BMIC.

⁴⁸ *Id.* at 17326. The WCB indicated that it made this distinction for these types of fixed-priced offerings as a matter of “administrative convenience” because in many cases the costs and frequency of these types of services can be difficult to quantify. *Id.* Although Cisco offers that the WCB “implicitly recognized [that] the modification reflects current industry practice to have all enterprise customers share the cost of software upgrades and bug fixes, as well as technical support (on line and live), [because] those costs are not incurred on behalf of a single customer,” “administrative convenience” was WCB’s stated explicit reason for this decision. Cisco Comments at 9.

B. Miscellaneous Clarifications

19. We adopt other miscellaneous changes proposed in the *ESL Public Notice* as described herein. We update the ESL introduction to provide information about the fact that E-rate funds are allocated in accordance with rules of priority and provide the definition of priority one and priority two services.⁴⁹ We also update the ESL introduction to remind applicants that any service that meets the definition of “telecommunications service” is eligible for E-rate funding but that, for other services, funding is limited only to those products and services specifically listed in the ESL.⁵⁰ These explanations are not new but were omitted from recent versions of the ESL. Finally, we provide definitions in the glossary section for certain terms that are used in the ESL, such as “failover” and “enhanced multimedia interface.”⁵¹

20. In addition, we change the name of the “Other Eligible Internet Access Services” entry to “Internet-Related Services” because the services listed in this entry do not, on their own, provide basic conduit access to the Internet.⁵² We also clarify that satellite service is one of the access technologies that applicants could use to receive eligible Internet access. Finally, we clarify the descriptions for certain examples of ineligible software. For example, instead of stating that softphones and reading programs are ineligible, we use the more generic terms “curriculum and productivity software” to capture software we previously deemed ineligible as well as the broader range of software products that are not eligible.⁵³

21. We also clarify that mobile hotspot service designed for portable devices is a type of eligible wireless Internet access service that may be funded by E-rate.⁵⁴ We find that mobile-hotspot service is eligible because it is a type of eligible wireless Internet access that provides basic conduit access to the Internet.⁵⁵ Although we clarify in the ESL that mobile-hotspot service is an eligible wireless Internet access service, we remind applicants that the end-user devices associated with providing and using wireless Internet access service are not eligible for E-rate funding.⁵⁶ Recognizing the recent proliferation of new mobile devices, we also add smart phones and tablets to the ESL as examples of end-user equipment that are not eligible for E-rate discounts.⁵⁷

⁴⁹ See 47 C.F.R. § 54.507(g).

⁵⁰ Not every service listed on a telephone bill is a “telecommunications service.” For example, directory listings, 1-900 number services and related content, and directory advertising (Yellow Pages) are ineligible. See *2012 ESL* at 6. Applicants or services providers should not seek reimbursement for these services from USAC.

⁵¹ See *2012 ESL* at 35-36.

⁵² Web hosting is one of the services listed in the entry for Internet-Related Services. While we recognize Edline’s concern about e-mail not being included in the same entry as web hosting, we noted above that the Commission’s definition of “Internet access” explicitly includes e-mail. See Edline Comments at 9. One of the reasons we separate e-mail from some of the other services funded under the Internet access category of the ESL is this definition. See 47 C.F.R. § 54.5. See *supra* para. 10.

⁵³ See *2012 ESL* at 19.

⁵⁴ *ESL Public Notice*, 26 FCC Rcd at 8716. In the glossary to the ESL, mobile-hotspot service is defined as a service that allows certain mobile devices to share their high-speed mobile broadband with other users wirelessly. Examples of mobile hotspots include the MiFi family of devices and their competitors, and a number of wireless-enabled smartphones. See, e.g., Brian Nadel, *Mobile hotspots: AT&T, Sprint and Verizon compete on price, features, speed; Which carrier's mobile hotspot packs the most punch?*, Computerworld, Jun. 17, 2011, available at http://www.computerworld.com/s/article/9217582/Mobile_hotspots_AT_T_Sprint_and_Verizon_compete_on_price_features_speed (last visited Aug. 9, 2011). There were no comments filed in response to this proposal.

⁵⁵ See *2012 ESL* at 9.

⁵⁶ See, e.g., *Sixth Report and Order*, 25 FCC Rcd at 18805 (stating that the E-rate program does not provide support for content or end-user devices such as computers or telephones).

⁵⁷ *2012 ESL* at 20.

22. Finally, we adopt changes to streamline the ESL. Where possible, we moved language into more appropriate or relevant sections and attempted to eliminate any redundancies. We also deleted, where practical, references to ineligible products in sections discussing eligible services.⁵⁸ The following are examples of some of the other streamlining changes we adopt in this order: (1) deleting the entry for “Other Eligible Telecommunications Services” and moving that information to appropriate sections of the Telecommunications Services category;⁵⁹ (2) deleting the entry for “Distance Learning and Video Conferencing” from the Internet Access category and moving those descriptions to the entry for “Internet Access;”⁶⁰ and (3) consolidating all of the special eligibility conditions pertaining to wide area networks.⁶¹

C. Designating New Services Requested in the Comments

23. Although several commenters requested that we add services to the ESL, we decline to add new services to the ESL at this time.⁶² This is consistent with our statement in the *ESL Public Notice* emphasizing that this proceeding was not intended to be a vehicle for changing any eligibility rules.⁶³

IV. ORDERING CLAUSES

24. ACCORDINGLY, IT IS ORDERED, that pursuant to the authority contained in sections 1 through 4, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 254, 303(r), and 403, this order IS ADOPTED.

FEDERAL COMMUNICATIONS COMMISSION

Sharon E. Gillett
Chief
Wireline Competition Bureau

⁵⁸ For example, we moved the statement regarding the ineligibility of certain kinds of antennas to the entry for Internal Connections components that are not eligible. *2012 ESL* at 19. We did the same for “client access licenses.” *Id.*

⁵⁹ *2012 ESL* at 4-6.

⁶⁰ *Id.* at 9.

⁶¹ *Id.* at 28.

⁶² Several commenters requested that new services be added to the ESL including (1) intrusion detection and prevention systems (IDS/IPS), Funds for Learning LLC Comments at 5-6; (2) on-line collaboration, web meetings and distance learning applications, AT&T Reply Comments at 4; (3) labor costs for two hours of after school personnel and end-user training and professional development for teachers and staff, National Hispanic Media Coalition Comments at 2-5 (stating that funding for the labor costs would address the gap in many low-income districts where opportunities to use the equipment and services is restricted by a lack of computers and limited time in the computer lab which is especially difficult for the students who lack home Internet access); (4) *all* operating telecommunications surcharges and fees (e.g., administrative fees), SECA Comments at 2-5; and (5) a special appliance as part of firewall architecture solution, George Riesco Comments (stating that the Riverbed device can host up to five services to help schools and libraries reduce the size of the broadband link they need to purchase).

⁶³ *See ESL Public Notice*, 26 FCC Rcd at 8718.

APPENDIX A

List of Commenters

**Comments and Reply Comments in Response to the
*E-rate Draft Eligible Services List for Funding Year 2011***

CC Docket No. 02-6

Commenters

1. CenturyLink
2. Cisco Systems, Inc.
3. Edline
4. Funds for Learning, LLC
5. National Hispanic Media Coalition
6. George Riesco
7. State E-rate Coordinators' Alliance

Reply Commenters

1. AT&T Services, Inc.
2. Edline
3. Funds for Learning, LLC

APPENDIX B

Eligible Services List for Funding Year 2011

(view as .pdf document released with this Order)